

02/07/2003

Dear Colleague,

**NOTICE OF IMPLEMENTATION  
MODIFICATION PROPOSAL No: 0565**

"Transco Proposal for Revision of Network Code Standards of Service"

Please note that Modification Proposal No 0565 will be implemented with effect from 06:00 hours on 01/10/2003. The Final Modification Report, Version 2.0, was signed by Ofgem on 01/07/2003.

The new Network Code text resulting from this Modification follows.

**Modified Text:**

**Section C**

*Amend paragraph 1.7 as follows:-*

- ~~"1.7.2 If Transco does not comply with paragraph 1.7.1 (i) and (ii) on any Day Transco will pay to each User an amount calculated as  $(N * £1)$ ; where N is the number of Performance Relevant Supply Meters for which the User is Registered User on that Day (determined in accordance with Section M5.1.1(a) and (c)(ii)).~~
- ~~1.7.3 If having failed to comply with paragraph 1.7.1 (i) and (ii) on any Day, Transco does not make available to Users the information in that paragraph by 16:00 on the Gas Flow Day, Transco will pay to each User with an associated UDQO in respect of Supply Point(s) in the relevant LDZ on the Preceding Day the an amount calculated as  $(N * £50)$ ; where N has the meaning in paragraph 1.7.2.~~
- 1.7.3 Where within 12 calendar months of making information available to Users pursuant to paragraph 1.7.1(i) Transco becomes aware that such information is incorrect, Transco will recalculate such information for each day during the affected period and make it available to Users within 5 Business Days of the recalculation being completed.
- 1.7.4 Where Transco fails to comply with the provisions of paragraph 1.7.3 above, Transco will make a payment to each User with an associated UDQO in respect of Supply Point(s) in the relevant LDZ during the relevant period of the amount of £250.
- 1.7.45 For the purposes of Section V13, the rules in paragraph 1.7.2 and 1.7.34 are Compensation Rules within Compensation Group AB; and in relation thereto the 'payment month' is the second month following the month in which the relevant Day fell information is made available to the User pursuant to paragraph 1.7.3."

## Section E

*Amend paragraph 8.2.1 as follows:-*

"8.2.1 In respect of each LDZ of each Reconciliation Billing period Transco will pay to the User the User's LDZ Suppressed Reconciliation Proportion of the amount (provided such amount is positive) calculated as the aggregate of:

$$(a) \quad (((0.950.98 * A) - B) * £20) + (C * £30) - (M * £25))$$

where following Individual NDM Reconciliation in Reconciliation Billing Period 'p'

- A is the number of Suppressed Reconciliation Values that have been Suppressed in Reconciliation Billing Period 'p';
- B is the number of Suppressed Reconciliation Values that had been Suppressed in Reconciliation Billing Period 'p' which are not Suppressed in Reconciliation Billing Period 'p + 1';
- C is the number of Suppressed Reconciliation Values that had been Suppressed in any Reconciliation Billing Period 'p' and which remain Suppressed in Reconciliation Billing Period 'p + 2' or any subsequent Reconciliation Billing Period;
- M is number of Meter Reads obtained by Transco in relation to the User under Section M3.6.1 that are Suppressed in Reconciliation Billing Period 'p'

and

$$(b) \quad (((0.950.98 * D) - E) * £40) + (F * £60))$$

where following DM Reconciliation in Reconciliation Billing Period 'p'

- D is the number of Reconciliation Values Suppressed in Reconciliation Billing Period 'p';
- E is the number of Reconciliation Values Suppressed in Reconciliation Billing Period 'p' which are not Suppressed in Reconciliation Billing Period 'p + 1';
- F is the number of Reconciliation Values Suppressed in Reconciliation Billing Period 'p' and which remain Suppressed in Reconciliation Billing Period 'p + 2' or any subsequent Reconciliation Billing Period.

*Amend paragraph 8.2.3 as follows:-*

8.2.3 For the purposes of Section V13:-

- (a) ; the rules in paragraph 8.2.1(a) are Compensation Rules within Compensation Group BC; and
  - (b) the rules in paragraph 8.2.1(b) are Compensation Rules within Compensation Group D
- and in relation thereto the 'payment month' is the second month following Reconciliation Billing Period p+2."

## Section G

*Amend paragraph 1.18 as follows:-*

"1.18 Site Visits Appointments

1.18.1 This paragraph 1.18 applies where:

- (i) the User believes that the information set out in the Supply Point Register that:-
    - (a) has been provided by Transco pursuant to the Code; or
    - (b) subject to paragraph (v) below, relates to Meter assets relating to a Supply Meter Point contained in any notification submitted by Transco to the User pursuant to the Code, other than a notification submitted pursuant to Sections G7 or M,
- is incorrect;
- (ii) the User has so notified Transco, providing details of the information which the User believes to be incorrect, ~~and~~ what the User believes to be the correct information and the contact details for the consumer at the Supply Point Premises (the "relevant consumer");
  - (iii) following such notification, Transco has been unable (after examining the details contained in the Supply Point Register) to resolve the matter notified by the User (the **"relevant matter"**);
  - (iv) subject to paragraph (v) below, the User has accordingly requested Transco and Transco has agreed to endeavour to contact the relevant consumer and has consequently arranged with such consumer a time and date when Transco may visit the Supply Point Premises to investigate the relevant matter (a "Site Visit Appointment");-
  - (v) a Site Visit Appointment shall not include any visit (whether undertaken or not) to the consumer's premises which:-
    - (i) is subject to the standards of performance set out in the Gas (Standards of Performance) Regulations 2002;
    - (ii) after the Metering Separation Date, relates to Meter assets.

1.18.2 Where a Site Visit Appointment has been arranged as set out in this paragraph 1.18.1 applies, subject to paragraph 1.18.3, Transco will use reasonable endeavours, within 15 Business Days after agreeing (as described in paragraph 1.18.1(iv)) to do so during normal business hours (08:30 hours to 17:00 hours), or on or by such later date and time as Transco and the User consumer may agree, to visit the Supply Point Premises and (subject to being given the required access) investigate the relevant matter.

1.18.3 ~~Where Transco has notified to the User a particular date (complying with paragraph 1.18.2) and time for such visit, or agreed such a date and time with the User~~ a Site Visit Appointment has been arranged, Transco may require that the User attend at the Supply Point Premises at such time and date, and where Transco so requires, Transco will not be required to investigate the relevant matter if the User does not so attend and such Site Visit Appointment shall be deemed to be a completed Site Visit Appointment for the purposes of paragraph 4.9.1-

1.18.4 If Transco is unable (upon such a visit) to obtain the access required to investigate the relevant matter, Transco shall not be required to revisit the Supply Point Premises, and

- (a) if Transco did not require (pursuant to paragraph 1.18.3) the User to attend, Transco will so inform the User as soon as reasonably practicable after making such visit

- (b) such Site Visit Appointment shall be deemed to be a completed Site Visit Appointment for the purposes of paragraph 4.9.1.:-

*Amend paragraph 4.1 as follows:-*

4.1.1 For the purposes of this paragraph 4.1:

- (i) Transco “**responds**” to a Supply Point Nomination by rejecting such nomination (in accordance with paragraph 2.3.6) or submitting a Supply Point Offer (in accordance with paragraph 2.4.1) or submitting a referral notice (in accordance with paragraph 2.3.8); and Transco “further” responds to a referred Supply Point Nomination by submitting a Supply Point Offer (in accordance with paragraph 2.4.1);
- (ii) periods within which Transco is to respond to a Supply Point Nomination run from the Business Day after the Supply Point Nomination was submitted;
- ~~(iii) where Transco is late (by reference to any period required under this paragraph 4.1) in responding to a Supply Point Nomination by submitting a Supply Point Offer, no error in any of the details contained in the Supply Point Offer shall relieve Transco of any liability (by reason of such lateness) under this paragraph 4;~~
- ~~(iv)~~(iii) a Supply Point Nomination is “**referred**” where paragraph 2.3.8 applies in relation thereto.

~~4.1.2 Transco will respond within 2 Business Days to not less than 99% of the Supply Point Nominations submitted:~~

- ~~(i) by each User in any calendar month;~~
- ~~(ii) for the purposes of Section V13.2.2(a), by all Users in any quarter.~~

~~4.1.3 If, in respect of the Supply Point Nominations submitted by a User in any calendar month, Transco does not comply with the requirement in paragraph 4.1.2(i), Transco will (subject to the further provisions of the Code) pay to the User an amount calculated as:~~

$$\del{((0.99 * A) - B) * C}$$

~~where for the relevant month:~~

~~A is the number of Supply Point Nominations submitted by the User in that month;~~

~~B is the number of Supply Point Nominations submitted by the User in that month to which Transco did respond within 2 Business Days;~~

~~and where C is the relevant percentage of £2.~~

~~4.1.42 Transco will further respond within 12 Business Days to not less than 95%97% of the referred Supply Point Nominations submitted:~~

- ~~(i) by each User in any calendar month;~~
- ~~(ii) for the purposes of Section V13.2.2(a), by all Users in any quarter.~~

~~4.1.53 If, in respect of the referred Supply Point Nominations submitted by a User in any calendar month, Transco does not comply with the requirement in paragraph 4.1.4(i)2, Transco will (subject to the further provisions of the Code) pay to the User an amount calculated as:~~

$$\del{((0.950.97 * A) - B - C) * \pounds30}$$

where for the relevant month:

- A is the number of referred Supply Point Nominations submitted by the User in that month;
- B is the number of referred Supply Point Nominations submitted by the User in that month to which Transco did respond within 12 Business Days;
- C is the number of referred Supply Point Nominations where:-
  - (i) Transco reasonably consider that a site visit was necessary (in accordance with the further provisions of this Section G); and
  - (ii) Transco was unable to perform such site visit within 12 Business Days as a result of failure, acting reasonably, to obtain any consents necessary to undertake such site visit (and Transco shall not be required to seek any such consent after the 10th Business Day)

and where C is the relevant percentage of £15.

~~4.1.64 In respect of each referred Supply Point Nomination submitted by a User, if Transco does not respond within 17 Business Days, Transco will (subject to the further provisions of this paragraph 4) pay to the User the relevant percentage of £15 £50 in respect of each referred Supply Point Nomination submitted by a User, if Transco does not respond within 17 Business Days provided that Transco will not be liable to pay such amounts where-~~

- (i) Transco reasonably considered that a site visit was necessary (in accordance with the further provisions of this Section G); and
- (ii) Transco was unable to perform such site visit within 17 Business Days as a result of failure, acting reasonably, to obtain any consents necessary to undertake such site visit (and Transco shall not be required to seek any such consent after the 15th Business Day)

~~4.1.75 Amounts payable under paragraph 4.1.64 are in addition to and irrespective of any amounts which may become payable in respect of any month under paragraph 4.1.53.~~

~~4.1.87 For the purposes of Section V13, the rule in paragraph 4.1.3, and the rules in paragraphs 4.1.53 and 4.1.64, are Compensation Rules within Compensation Group €G; and in relation thereto:-~~

- (a) the 'payment month' is the second month following that in which the relevant Supply Point Nomination was submitted;
- (b) ~~the 'relevant aggregate requirement' in respect of a quarter is:~~
  - (i) ~~for the purposes of the Compensation Rule in paragraph 4.1.3, the requirement in paragraph 4.1.2(ii);~~
  - (ii) ~~for the purposes of the Compensation Rules in paragraph 4.1.5 and 4.1.6, the requirement in paragraph 4.1.4(ii);~~
- (c) ~~the quarter by reference to which the relevant percentage is to be determined is the quarter in which the relevant Supply Point Nomination was submitted~~

*Delete paragraph 4.2 and replace with "[Not Used]"*

*Delete paragraph 4.3 and replace with "[Not Used]"*

*Delete paragraph 4.4 and replace with "[Not Used]"*

*Delete paragraph 4.5 and replace with "[Not Used]"*

*Delete paragraph 4.6 and replace with "[Not Used]"*

*Amend paragraph 4.7 as follows:-*

4.7.1 Where:

- (a) a Supply Point Offer submitted by Transco does not comply with the applicable requirements of Section G2.4 and the UK Link Manual;
- (b) the Proposing User submitted a Supply Point Confirmation (on the basis of such Supply Point Offer) in accordance with the requirements of this Section G; and
- (c) as a result of the Supply Point Offer's non-compliance (referred to in paragraph (a)) such Supply Point Confirmation was rejected

then ~~(subject to paragraph 4.7.3)~~ paragraph 4.7.2 shall apply.

4.7.2 Where this paragraph 4.7.2 applies, Transco will (subject to the further provisions of the Code) pay to the Proposing User an amount of ~~£15~~£50 for each Supply Point Confirmation rejected as described in paragraph 4.7.1(c).

~~4.7.3 Where, as a result of a failure of the UK Link System to comply with any requirement of Section U, a Proposing User is unable to submit a Supply Point Confirmation in accordance with the requirements of this Section G or a Supply Point Confirmation submitted in accordance with the requirements of this Section G is rejected, paragraph 4.7.2 shall not (if otherwise applicable) apply, and Transco will pay to the Proposing User an amount of £10 for each Day from the first relevant date until the last relevant date.~~

~~4.7.4 For the purpose of paragraph 4.7.3:~~

- ~~(a) the first relevant date is the later of:~~
  - ~~(i) the 15th Business Day after the Proposing User notified Transco that its Supply Point Confirmation was rejected in the circumstances in paragraph 4.7.3; and~~
  - ~~(ii) the date on which the Proposing User was first obliged by contract to supply gas at the Proposed Supply Point;~~
- ~~(b) the last relevant date is the earliest of:~~
  - ~~(i) the date 60 Days after the first relevant date;~~
  - ~~(ii) if the Proposing User submitted a further Supply Point Confirmation which was not rejected as a result of the circumstances in paragraph 4.7.3, the Proposed Supply Point Registration Date under such Supply Point Confirmation (or if earlier the date with effect from which such Supply Point Confirmation was rejected other than in those circumstances, or lapsed pursuant to paragraph 2.8.6; and~~
  - ~~(iii) in the circumstances in paragraph 4.7.1, the date which is 17 Business Days after the date on which Transco has submitted a further Supply Point Offer which is in compliance with the applicable requirements of Section G2.4 and the UK Link Manual.~~

4.7.53 For the purposes of Section V13, the rule in paragraphs 4.7.2 is a Compensation Rule within Compensation Group EB, and the rule in paragraphs ~~4.7.3~~ is a Compensation Rule within Compensation Group C; and in relation thereto and subject to paragraph 4.7.4 the 'payment

month' is the second month following that in which the Supply Point Confirmation was submitted.

- 4.7.64 Transco will not and is not required to monitor its performance in relation to the Compensation Rules under this paragraph 4.7, and will not be required to make any payment under this paragraph 4.7 unless the User in question notifies to Transco the circumstances in which such payment is due not later than the expiry of the second month following that in which the Supply Point Confirmation was submitted, in which case the payment month becomes the second month after the month of such notification ~~payment month~~.

*Delete paragraph 4.8 and replace with "[Not Used]"*

*Amend paragraph 4.9 as follows:-*

4.9.1 ~~For the purposes of this paragraph 4.8:~~

- (a) ~~a "site visit" is a visit to Supply Point Premises agreed between Transco and a User as described in paragraph 1.18.1(iv);~~
- (b) ~~Transco shall be taken to have performed~~ completed a Site Visit Appointment ~~the site visit if:~~
- (i) where Transco attends at the Supply Point Premises on a date which complies with paragraph 1.18.3; and
- (a) Transco investigates the relevant matter (as described in paragraph 1.18);<sub>;</sub> or
- (b) the User did not attend if required to do so in accordance with paragraph 1.18.3;<sub>;</sub> or
- (c) Transco was unable (after reasonable attempts to do so at the time of its visit) to obtain access to the Supply Point Premises;<sub>;</sub>
- (e) ~~the calendar month or quarter in which a site visit was agreed is that in which Transco and the User reached agreement for the site visit, and not that in which the site visit is to be made.~~

4.9.2 ~~Transco will perform at least 90% of the site visits agreed:~~

- (i) ~~with each User in any calendar month;~~
- (ii) ~~for the purposes of Section V13.2.2(a), with all Users in any quarter. [Not Used]~~

4.9.3 If, Transco does not complete all in respect of the site visits agreed with a User Site Visit Appointments in a calendar month, ~~Transco does not comply with paragraph 4.9.2(i);~~ Transco will (subject to the further provisions of the Code) pay to the User an amount calculated as:

$$((\del{0.9} * A) - B) * \pounds 20C$$

where for the relevant month:

- A is the number of sSite vVisits Appointments agreed with the User due to be carried out in that month;
- B is the number of sSite Vite-visits Appointments agreed with the User in that month which Transco did perform completed in accordance with paragraph 4.9.1.;

~~and where C is the relevant percentage of £20.~~



4.9.4 For the purposes of Section V13, the rule in paragraph 4.9.3 is a Compensation Rule within Compensation Group H~~D~~; and in relation thereto

- (a) the 'payment month' is the second month following that in which the relevant Ssite ~~v~~Visit Appointment was ~~agreed~~ due to be carried out;
- ~~(b) the 'relevant aggregate requirement' in respect of a quarter is the requirement in paragraph 4.9.2(ii);~~
- ~~(c) the quarter by reference to which the relevant percentage is to be determined is the quarter in which the relevant site visit was agreed.~~

*Delete paragraph 4.10 and replace with "[Not Used]"*

## Section J

*Amend paragraph 3.5.2 as follows:-*

"3.5.2 In the case of a Supply Point whose Annual Quantity does not exceed 73,200 kwh (2,500 therms) per annum and where the supply of gas is not taken wholly or mainly for domestic purposes:

where as a result of the relevant failure gas is not available for offtake for a period of not less than 24 hours, Transco will pay to the Registered User an amount of £2050 for each consecutive period of 24 hours or part of such a period, commencing with the expiry of the first 24 hours of such failure, during which the relevant failure continued;

*Amend paragraph 3.5.3 as follows:-*

3.5.3 In the case of a Supply Point Component whose Annual Quantity exceeds 73,200 kwh (2,500 therms) per annum and where the supply of gas is not taken at the Supply Point ~~{Component}~~ wholly or mainly for domestic purposes~~other than one comprised in such a Supply Point as is referred to in paragraph 3.5.2~~, Transco will pay to the Registered User an amount determined as:

- (a) subject to paragraph (b), the amount calculated according to the following formula:

$$C * (1 - X/Y) * P * F$$

where:

- C is the amount of the Supply Point Capacity held by the User at the Supply Point Component on the relevant Day, or in relation to an Interruptible Supply Point Component only, if less, the Bottom-stop Supply Point Capacity;
- X is in the case of a DM Supply Point Component, the quantity of gas which was made available for offtake from the System on the relevant Day;
- Y is in the case of a DM Supply Point Component the Nominated Quantity (subject to paragraph 3.5.4) under the Output Nomination for the relevant Supply Point Component, provided that
- (i) no account shall be taken of any Renomination, on the Day when the failure occurred or first occurred, made after the time at which the Registered User first became aware of such failure; and



- (ii) Y shall not exceed the amount of the User's Registered Supply Point Capacity at the Supply Point Component, disregarding any increase therein applied for after the relevant failure first occurred;

X/Y is in the case of an NDM Supply Point Component, zero;

P is the sum of the Applicable Daily Rates of:

- (i) the Capacity Variable Component of the Customer Charge, and
- (ii) in the case of an LDZ Supply Point, the LDZ Capacity Charge, and
- (iii) the applicable NTS Exit Capacity Charge.

F is ~~two (2)~~ten (10) in relation to a Firm Supply Point Component and ~~one (1)~~five (5) in relation to an Interruptible Supply Point Component;

(b) where:

- (i) as a result of the relevant failure gas is not available for offtake for a period of 24 hours, and
- (ii) ~~for the period as a whole for which such failure continues, the amount determined under this paragraph (b) exceeds the amount in aggregate that would be payable to the User under paragraph (a) for all of the Days in such period, the amount determined under paragraph (a) would for each consecutive period of 24 hours during which the relevant failure continued be less than £50 in relation to a NDM Supply Point Component and £250 in relation to an DM Supply Point Component~~

an amount of £20 the amount determined under paragraph (a) shall not be payable to the User and for each consecutive period of 24 hours or part of such a period, commencing with the expiry of the first 24 hours of such failure, during which the relevant failure continued, Transco will pay to the Registered User an amount of £50 in relation to a NDM Supply Point Component and an amount of £250 in relation to an DM Supply Point Component.

*Amend paragraph 3.5.4(iii) as follows:-*

- (iii) for the purposes of paragraphs 3.5.2 and 3.5.3(b), any such period of 24 hours as is referred to in Section ~~L4.3.2(e)~~ L4.3.2(d) is concurrent with and not in addition to the first 24 hours referred to in paragraph 3.5.2 or 3.5.3(b), and accordingly (notwithstanding Section L.4.3.1) any period of Programmed Maintenance (in respect of the Supply Point) shall count towards such first 24 hours.

*Amend paragraph 3.5.7 as follows:-*

3.5.7 For the purposes of Section V13, the rules in paragraph 3.5.2 and 3.5.3 are Compensation Rules within Compensation Group ~~J~~D; and in relation thereto the 'payment month' is the second month following the month in which the relevant failure commenced.

*Amend paragraph 3.10.8 as follows:-*

3.10.8 For the purposes of Section V13, the rule in paragraph 3.10.3 is a Compensation Rule within Compensation Group ~~J~~D; and in relation thereto the "**payment month**" is the second month following the month in which the relevant failure commenced."

## Section M

*Delete paragraph 2.7 and replace with "[Not Used]"*

*Amend paragraph 5.1.1(a) as follows:-*

"(a) Subject to paragraphs 5.1.2 ~~and~~ 5.1.3 and 5.2.3, for any User a "Performance Relevant Supply Meter" is:

*Delete paragraph 5.1.5*

*Amend paragraph 5.2 as follows:-*

5.2.1 Subject to paragraph 5.3, Transco will provide not less than ~~95%~~ 97.5% of the required number of Valid Meter Readings:

(i) to each User, in respect of each ~~week (from Monday to Sunday)~~ month;

(ii) ~~for the purposes of Section V13.2.2(a), to all Users, in respect of each quarter,~~

in each case not later than 11:00 hours on the Day following the Day to which the relevant Meter Reading relates; and for the purposes of this paragraph, the required number of Valid Meter Readings in respect of a User in a month ~~week, or in respect of all Users in a quarter~~, is the sum of the numbers of the Performance Relevant Supply Meters of the User on each Day of such month ~~week or (as the case may be) of all Users on each Day in such quarter~~.

5.2.2 Subject to paragraphs 5.2.3 and 5.3, if in respect of any ~~week~~ month Transco does not comply with the requirement in paragraph 5.2.1(i), Transco will pay to the User an amount calculated as:

$$((\del{0.95} \u{0.975} * A) - B) * \u{£30} \text{ €}$$

where for the relevant ~~week~~ month:

A is the sum for all Days in the ~~week~~ month of the number of the User's Performance Relevant Supply Meters;

B is the sum for all Days in the ~~week~~ month of the number of Valid Meter Readings in respect of the User's Performance Relevant Supply Meters which Transco provided by 11:00 hours on the following Day;

~~and where C is the relevant percentage of £20.~~

5.2.3 In respect of each Performance Relevant Supply Meter and Subject to paragraph 5.3, if for each of ~~7~~ 4 consecutive Days Transco does not provide to a User a Valid Meter Reading by 11:00 hours on the Day following each such Day then for each further day (after the 4th) for which Transco fails to provide a Valid Meter Reading by 11:00 hours on the following Day:-

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(a) Transco will pay to the User (subject to paragraph 5.2.5) ~~the relevant percentage of £30~~ £75 ~~for each further Day (after the 7th) for which Transco fails to provide a Valid Meter Reading by 11:00 hours on the following Day; and~~

(b) such Meter shall not be counted as a Performance Relevant Supply Meter for the purposes of paragraph 5.2.2.

5.2.4 ~~Amounts payable under paragraph 5.2.3 are in addition to and irrespective of any amounts which may become payable in respect of any week under paragraph 5.2.2. [Not Used]~~

- 5.2.5 In the case of a Shared Supply Meter Point the amount payable to a User pursuant to paragraph 5.2.3 will be the amount specified under that paragraph divided by the number of Sharing Registered Users.
- 5.2.6 For the purposes of Section V13, the rules in paragraphs 5.2.2 and 5.2.3 are Compensation Rules within Compensation Group A; and in relation thereto:
- (a) the 'payment month' is the second month following ~~that in which~~:
  - (a~~i~~) for the purposes of paragraph 5.2.2, the relevant ~~week~~ month ~~fell~~;
  - (b~~ii~~) for the purposes of paragraph 5.2.3, that in which the relevant Day fell;
  - (b) ~~the 'relevant aggregate requirement' in respect of a quarter is the requirement in paragraph 5.2.1(ii);~~
  - (c) ~~the quarter by reference to which the relevant percentage is to be determined is the quarter in which the Day for which a Valid Meter Reading is required under paragraph 5.2.1 falls.~~

*Insert as new paragraph 5.1.5:-*

5.3 For the avoidance of doubt paragraph 5.2 shall apply in respect of all Performance Relevant Supply Meters."

## Section S

*Insert as new paragraph 4.7<sup>1</sup>:-*

"4.7 GRE Invoice Query Incentive Scheme Methodology

4.7.1 For the purposes of this section:

- (a) the "GRE Invoice Query Incentive Scheme Methodology" is a document prepared by Transco and agreed with the Authority dated [ ]<sup>2</sup> setting out the methodology for the calculation of Incentive Payments;
- (b) the "GRE Invoice Query" shall mean an Invoice Query raised by a User for the overpayment of Reconciliation Clearing Charges as determined in accordance with the GRE Invoice Query Incentive Scheme Methodology;
- (c) a "Valid GRE Invoice Query" is a GRE Invoice Query which results in a financial adjustment for the overpayment of Reconciliation Clearing Charges;
- (d) a "month" for the purposes of this paragraph is the period from the 6th day in one month until and including the 5th day in the following month;
- (e) the "Query Receipt Month" shall mean the month in which the GRE Invoice Query is received by Transco;
- (f) the "Service Standard Adjustment Month" shall mean the target month for the processing of financial adjustments in respect of a Vaild GRE Invoice Query and this will be the third month following the Query Receipt Month;
- (g) the "Relevant Month" shall mean the month in which the financial adjustment for the overpayment of the Reconciliation Charge is paid by Transco to the User in accordance with the service standard as defined within the GRE Invoice Query Incentive Scheme Methodology;

(h) the "**Incentive Payment**" shall mean the amount payable by Transco to the User and such amounts will be determined in accordance with the GRE Invoice Query Incentive Table contained within the GRE Invoice Query Incentive Scheme Methodology;

4.7.2 For the purposes of Section V13, the rules in this paragraph are Compensation Rules within Compensation Group F; and in relation thereto the payment month is the second month following the Relevant Month.

4.7.3 Any amount payable by Transco pursuant to this GRE Invoice Query Incentive Scheme Methodology will be invoiced and payable in accordance with Section S."

<sup>1</sup> based on provisions previously in Transition Document

<sup>2</sup> date to be advised

*Insert as new paragraph 4.8*

#### 4.8 Operational Queries

4.8.1 For the purposes of this Section S:

(a) the "**the Guidelines**" is a document entitled "Standards of Service Query Management Operational Guidelines" as prepared and revised from time to time by Transco (in Consultation with Users);

(b) "**Queries**" shall have the meaning of 'Invoice and Operational queries for both Gas Transportation (GT) and Meter Asset Queries' as defined in the Guidelines but not including Excluded Queries and "**Query**" shall be defined accordingly;

(c) the "**Query Receipt Day**" shall mean the day in which a Query is received by Transco in accordance with the Guidelines;

(d) a "**Query Count Day**" shall have the same meaning as "Transco Day" in the Guidelines being a Business day where the resolution of the query is within the direct control of Transco;

(e) an "**Excluded Query**" shall (subject to paragraph 4.8.8) be a Query of a type that is to be excluded from the calculation of liability payments under this Section as further set out in the Guidelines in relation to 'Query Categories Excluded';

(f) "**Final Achieved Performance**" is the performance figure for the resolution of Queries calculated in accordance with the Guidelines;

(g) "**Query Standard**" shall mean:-

(i) from the Query Implementation Date (subject to paragraph (ii) below), the appropriate percentage set out in the "Query Implementation Date" column in Annex V-1;

(ii) from the first day of the calendar month that is no less than 6 months after the Query Implementation Date (subject to paragraph (iii) below), the appropriate percentage set out in the '6 month' column in Annex V-1;

(iii) from the first day of the calendar month that is no less than 12 months after the Query Implementation Date (subject to paragraph (iv) below), the appropriate percentage set out in the '12 month' column in Annex V-1;

(iv) from the first day of the calendar month that is no less than 18 months after the Query Implementation Date, the appropriate percentage set out in the '18 month' column in Annex V-1;

4.8.2 In respect of Queries relating to Smaller Supply Points and Larger Supply Points respectively, Transco is required to resolve within a calendar month not less than the appropriate Query Standard set out for 'metering' Queries and 'GT' Queries respectively (and as such terms are further described in the guidelines).

4.8.3 Where Final Achieved Performance for Smaller Supply Points is less than the relevant Query Standard for a User within a calendar month Transco will pay to the User an amount calculated as the aggregate of:

$$\begin{aligned} & \text{(i) } \frac{(((SGT4/100)*A) - B4 - C) * £1}{+} \\ & \frac{(((SGT10/100)*A) - B10 - C) * £3}{+} \\ & \frac{(((SGT20/100)*A) - B20 - C) * £6}{+} \end{aligned}$$

where:-

SGT4 is the relevant Query Standard for "4 day standard" for Smaller Supply Points: GT set out in Annex V-1

SGT10 is the relevant Query Standard for "10 day standard" for Smaller Supply Points: GT set out in Annex V-1

SGT20 is the relevant Query Standard for "20 day standard" for Smaller Supply Points: GT set out in Annex V-1

A is the number of Queries resolved in the calendar month relating to gas transportation at Smaller Supply Points

B4 is the number of Queries resolved within 4 Query Count Days for Smaller Supply Points in the calendar month relating to gas transportation

B10 is the number of Queries resolved within 10 Query Count Days for Smaller Supply Points in the calendar month relating to gas transportation

B20 is the number of Queries resolved within 20 Query Count Days for Smaller Supply Points in the calendar month relating to gas transportation

C is the number of Excluded Queries resolved for the User within the calendar month;

$$\begin{aligned} & \text{(ii) } \frac{(((SM4/100)*A) - B4 - C) * £1}{+} \\ & \frac{(((SM10/100)*A) - B10 - C) * £3}{+} \\ & \frac{(((SM20/100)*A) - B20 - C) * £6}{+} \end{aligned}$$

where:-

SM4 is the relevant Query Standard for "4 day standard" for Smaller Supply Points: metering set out in Annex V-1

SM10 is the relevant Query Standard for "10 day standard" for Smaller Supply Points: metering set out in Annex V-1

SM20 is the relevant Query Standard for "20 day standard" for Smaller Supply Points: metering set out in Annex V-1

A is the number of Queries resolved in the calendar month relating to metering at Smaller Supply Points

B4 is the number of Queries resolved within 4 Query Count Days for Smaller Supply Points in the calendar month relating to metering

B10 is the number of Queries resolved within 10 Query Count Days for Smaller Supply Points in the calendar month relating to metering

B20 is the number of Queries resolved within 20 Query Count Days for Smaller Supply Points in the calendar month relating to metering

C is the number of Excluded Queries resolved for the User within the calendar month.

4.8.4 If for a Smaller Supply Point Transco does not resolve the Query within 40 Query Count Days Transco will be liable to pay to the User £20 and Transco will further pay an additional £20 for each further period of not less than 20 Query Count Days in which the Query remains unresolved. Such payment to become due upon resolution of such Query.

4.8.5 Where Final Achieved Performance for Larger Supply Points is less than the relevant Query Standard for a User within a calendar month Transco will pay to the User an amount calculated as the aggregate of:

(i) 
$$(((\text{LGT10}/100)*A) - \text{B10} - C) * £5 + (((\text{LGT20}/100)*A) - \text{B20} - C) * £30$$

where:-

LGT10 is the relevant Query Standard for "10 day standard" for Larger Supply Points: GT set out in Annex V-1

LGT20 is the relevant Query Standard for "20 day standard" for Larger Supply Points: GT set out in Annex V-1

A is the number of Queries resolved in the calendar month relating to gas transportation at Larger Supply Points

B10 is the number of Queries resolved within 10 Query Count Days for Larger Supply Points in the calendar month relating to gas transportation

B20 is the number of Queries resolved within 20 Query Count Days for Larger Supply Points in the calendar month relating to gas transportation

C is the number of Excluded Queries resolved for the User within the calendar month.

$$(ii) \frac{(((LM_{10}/100)*A) - B_{10} - C) * £5) + (((LM_{20}/100)*A) - B_{20} - C) * £30)}{}$$

where:-

LM<sub>10</sub> is the relevant Query Standard for "10 day standard" for Larger Supply Points: metering set out in Annex V-1

LM<sub>20</sub> is the relevant Query Standard for "20 day standard" for Larger Supply Points: metering set out in Annex V-1

A is the number of Queries resolved in the calendar month relating to metering at Larger Supply Points

B<sub>10</sub> is the number of Queries resolved within 10 Query Count Days for Larger Supply Points in the calendar month relating to metering

B<sub>20</sub> is the number of Queries resolved within 20 Query Count Days for Larger Supply Points in the calendar month relating to metering

C is the number of Excluded Queries resolved for the User within the calendar month.

4.8.6 If for a Larger Supply Point Transco does not resolve the Query within 40 Query Count Days Transco will be liable to pay to the User £70 and Transco will further pay an additional £70 for each further period of not less than 20 Query Count Days in which the Query remains unresolved. Such payment to become due upon resolution of such Query.

4.8.7 Where the volume of Queries submitted by a User on a day exceeds the volume daily limits set out in the Guidelines, the rules for dealing with such daily excess submissions set out in the Guidelines will be applied.

4.8.8 Queries relating to Meter assets, shall be Excluded Queries from Metering Separation Date.

4.8.9 For the purposes of Section V13 (Compensation), the rules in this paragraph are Compensation Rules within Compensation Group L; and in relation thereto the '**payment month**' is the second month following the month in which the Query was resolved."



*Insert as new Annex V-1*

"ANNEX V-1

<u>QUERY STANDARD</u>	<u>Query Implementation Date</u>	<u>6 month</u>	<u>12 month</u>	<u>18 month</u>
<b><u>Smaller Supply Points: GT</u></b>				
<u>4 Day Standard: GT (SGT4)</u>	<u>50%</u>	<u>65%</u>	<u>75%</u>	<u>80%</u>
<u>10 Day Standard: (SGT10)</u>	<u>85%</u>	<u>90%</u>	<u>95%</u>	<u>95%</u>
<u>20 Day Standard: (SGT20)</u>	<u>98%</u>	<u>98%</u>	<u>98%</u>	<u>98%</u>
<b><u>Smaller Supply Points: Metering</u></b>				
<u>4 Day Standard: GT (SM4)</u>	<u>50%</u>	<u>65%</u>	<u>75%</u>	<u>80%</u>
<u>10 Day Standard: (SM10)</u>	<u>85%</u>	<u>90%</u>	<u>95%</u>	<u>95%</u>
<u>20 Day Standard: (SM20)</u>	<u>98%</u>	<u>98%</u>	<u>98%</u>	<u>98%</u>
<b><u>Larger Supply Points: GT</u></b>				
<u>4 Day Standard: (LGT4)</u>	<u>50%</u>	<u>65%</u>	<u>75%</u>	<u>80%</u>
<u>10 Day Standard: (LGT10)</u>	<u>85%</u>	<u>90%</u>	<u>95%</u>	<u>95%</u>
<u>20 Day Standard: (LGT20)</u>	<u>98%</u>	<u>98%</u>	<u>98%</u>	<u>98%</u>
<b><u>Larger Supply Points: Metering</u></b>				
<u>4 Day Standard: (LM4)</u>	<u>50%</u>	<u>65%</u>	<u>75%</u>	<u>80%</u>
<u>10 Day Standard: (LM10)</u>	<u>85%</u>	<u>90%</u>	<u>95%</u>	<u>95%</u>
<u>20 Day Standard: (LM20)</u>	<u>98%</u>	<u>98%</u>	<u>98%</u>	<u>98%</u>

"

## Section U

*Insert as new paragraph 7.6*

### "7.6 Failure Liability"

#### 7.6.1 For the purposes of this Section:

- (a) a "**UK Link Failure**" is a system failure as defined within priority level IM6 of the UK Link Manual;
- (b) an "**Affected UK Link User**" is a UK Link User who was using UK Link at the time of a system failure and reported that they were unable to access the failed system in accordance with the Problem Management process within the UK Link Manual;
- (c) "**Problem Management Process**" shall mean the problem management process set out within the UK Link Manual;
- (d) "**recover**" shall mean the successful return of service for the affected element within UK Link and "**recovery**" shall be construed accordingly;
- (e) "**recovery period**" be the period commencement on the earlier of:
  - (i) where Transco becomes aware of a UK Link Failure by way of a User communication, the time that the problem is defined as priority level IM6; else
  - (ii) the time that Transco becomes aware of the UK Link Failure until the completion of recovery.
- (f) a "**Repeated Failure of UK Link**" is a reoccurrence within 24 hours of a UK Link Failure, recorded by Transco in accordance with the Problem Management Process;
- (g) an "**Inappropriate User Action**" is a failure by a UK Link User as set out in paragraph 7.4.1(b)(ii) that results in or contributes to a UK Link Failure.

7.6.2 In the event of a UK Link Failure, Transco will endeavour to recover UK Link within a 5 hour recovery period.

7.6.3 Subject to paragraphs 7.6.4 and 7.6.7, if the recovery period for a UK Link Failure exceeds 5 hours then Transco will pay each Affected UK Link User £50.

7.6.4 In the event of a Repeated Failure or series of Repeated Failures of UK Link, paragraphs 7.6.2 and 7.6.3 shall apply save that in the event that a User is an Affected UK Link User for both the original UK Link Failure and subsequent Repeated Failure(s) of UK Link, paragraph 7.6.3 shall apply in respect of the subsequent Repeated UK Link Failure as though the amount set out were 200% of the payment due in respect of the immediately preceding UK Link Failure or Repeated Failure (as the case may be).

7.6.5 In the event of a UK Link Failure where the recovery period is greater than 24 hours, Transco will (subject to paragraph 7.6.7) pay to each Affected UK Link User an amount of £1,000.

7.6.6 For Batch Transfer Communications, where Transco fails to make the UK Link Network available (as defined in the UK Link Manual) for a period greater than 24 hours over and above the timescales permitted for processing Batch Transfer Communications as specified

in the Network Code, Transco will (subject to paragraph 7.6.7) pay to each Affected UK Link User an amount of £1,000.

7.6.7 Transco shall not be liable to pay:-

- (i) the amounts set out in paragraphs 7.6.3 and 7.6.4 where a UK Link Failure has been caused by the performance levels (as set out in the UK Link Manual) being exceeded;
- (ii) the amounts set out in paragraphs 7.6.3, 7.6.4, 7.6.5 and/or 7.6.6 in the event that the UK Link Failure was in whole or part the result of an Inappropriate User Action;
- (iii) the amounts set out in this paragraph 7.6 to the extent that the UK Link Committee (if Transco so requests) agrees by majority decision to suspend any obligation to make payment (or reduce the amount of such payment) under this paragraph 7.6 for the period of such suspension (or reduction).

7.6.8 The performance standards set out in this paragraph 7.6 shall be in addition to and not replacement of the performance standards set out in paragraphs 7.2 and 7.

7.6.9 For the purposes of Section V13 (Compensation Rules), the rules in paragraphs 7.6.3, 7.6.4, 7.6.5 and 7.6.6 are Compensation Rules within Compensation Group K; and the relevant 'payment month' will be the second month following the month in which the relevant failure occurred.

*Amend paragraph 8.6.1 as follows:-*

- 8.6.1 Subject to paragraph 8.6.2, where Transco proposes to make a Class 2 Modification or a Class 3 Modification (other than a Manual Modification except where the UK Link Manual anticipates the making of such Manual Modification) when notifying UK Link Users of its proposals in the event that Transco:
- (a) fails to inform UK Link Users that they have not less than 15 Business Days to submit any comments to Transco in respect of the proposal, Transco will pay to each UK Link User ~~£100~~£500;
  - (b) fails to provide the UK Link Users with an indicative timetable for implementing the modification and the implementation date for the modification set out in such timetable is for a date less than 3 months from the giving of such notice, Transco will pay to each UK Link User ~~£350~~£500.

*Amend paragraph 8.6.3 as follows:-*

- 8.6.3 Where Transco fails to notify UK Link Users by the Business Day following the Day in respect of which a Class 2 Modification or a Class 3 Modification was to be implemented but was not so implemented, Transco will pay each UK Link User ~~£300~~£1,000.

*Amend paragraph 8.6.4 as follows:-*

- 8.6.4 For the purposes of Section V13, the rule in paragraphs 8.6.1 and 8.6.3 are Compensation Rules within Compensation Group ~~D~~I; and in relation thereto the 'payment month' is the second month following the month in which the relevant failure occurred."

## **Section V**

*Amend paragraph 13.1(d) as follows:-*

"(d) **"Compensation Group"** means a group of Compensation Rules, such groups being designated as Groups A to L inclusive, ~~B, C and D~~, and the Compensation Group to which each Compensation Rule belongs being specified in the relevant Compensation Provisions;

*Amend paragraph 13.1(e) as follows:-*

(e) the **"Group Limit"** in respect of each Compensation Group is as follows:

for each of Groups A, B, C, D, F and K: £7,000,000~~£5,000,000~~

~~Group B: £20,000,000~~

~~Group C: £25,000,000~~

~~Group D: £8,000,000;~~

for Group E: £2,500,000 in respect of Larger Supply Points and £2,500,000 in respect of Smaller Supply Points

for Group G: £4,000,000 in respect of Larger Supply Points and £1,000,000 in respect of Smaller Supply Points

for Group H: £1,000,000 in respect of Larger Supply Points and £1,000,000 in respect of Smaller Supply Points

for Group I: £3,000,000

for Group J: £2,500,000 in respect of Larger Supply Points and £2,500,000 in respect of Smaller Supply Points

for Group L: £5,000,000 in respect of Larger Supply Points and £5,000,000 in respect of Smaller Supply Points

*Delete paragraph 13.2 and replace with "[Not Used]"*

## **Section W**

*Amend section W1 to include:-*

\_\_\_\_\_ **"Metering Separation Date"**: shall mean the date notified to Users by Transco after consultation with the Network Code Committee, or any relevant Sub-committee, when certain metering provisions are to be removed from the Network Code as a result of the Director's review of gas metering arrangements.

\_\_\_\_\_ **"Query Implementation Date"** shall mean the date notified to Users by Transco after consultation with the Network Code Committee, or any relevant Sub-committee, upon notice of not less than 3 months to Users after which certain standards are to apply in respect of queries submitted by Users from such date."

## **Transition Document Part II**

*Delete paragraph 8.15.8 S.4*

## **Section V: General**

*Insert as new paragraphs in paragraph 8.16:-*

"8.16.3 V13.1(e) During the period from the [implementation date of Mod 565] until the commencement of the immediately following Compensation Year each Group Limit shall be reduced pro rata to the number of calendar months in the Compensation Year in such period.

8.16.4 V13.3.1 During the period from the [implementation date of Mod 565] until the commencement of the immediately following Compensation Year Section V13.3.1 shall apply on the basis that:

- (1) references in such Section to the **Compensation Year** shall be taken to be the period from the [implementation date of Mod 565] until immediately prior to the commencement of the following Compensation Year;
- (2) the factors **CML** and **SF** shall be calculated on the basis that the denominator "12" set out in their respective definitions is replaced by a number equal to the number of calendar months in the period from the [implementation date of Mod 565] until the commencement of the immediately following Compensation Year."

Yours sincerely,

Julian Majdanski  
Modification Panel Secretary